

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5011-10  
Bill No.: HCS for SS for SCS for SB 653  
Subject: Cities, Towns and Villages; Courts; Political Subdivisions; Public Service  
Commission; Telecommunications  
Type: Original  
Date: February 25, 2014

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Bill Summary: This proposal modifies provisions relating to municipal utility poles.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>(Unknown - could exceed \$100,000)</b>	<b>(Unknown - could exceed \$100,000)</b>	<b>(Unknown - could exceed \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

In response to a previous version of this proposal, officials from the **Administrative Hearing Commission** and the **Office of the Secretary of State** each assumed the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the State Courts Administrator (CTS)** would not anticipate a fiscal impact in excess of \$100,000.

**Oversight** assumes the CTS could absorb any costs arising from this proposal.

Officials from the **City of Columbia** assume the current proposal would not fiscally impact their local government

Officials from the **City of Kansas City (KC)** assume the increased policing of attachments would result in having to hire additional personnel. At \$50,000 per year, the real cost (with benefits, etc) would be \$75,000 per full year. At three people this cost would be \$225,000 per full year. KC assumes they would likely have costs associated with pole attachments, such as responding to citizen complaints, but those are hard to quantify. Approximately \$20,000 per full year according to KC. Also KC would likely have legal fees to determine the reasonableness of their actions, approximately \$50,000 per full year. The City assumes a cost of approximately \$295,000 annually.

In response to a previous version of this proposal, officials from the **Metropolitan St. Louis Sewer District** assumed the proposal would not fiscally impact their agency.

Officials from the **Department of Natural Resources**, the **Department of Transportation**, the **Department of Economic Development - Public Service Commission**, and the **Department of Economic Development - Office of the Public Counsel** each assume the current proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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#### **LOCAL POLITICAL SUBDIVISIONS**

<u>Revenue</u> - Penalty for breach of pole attachment agreement	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Costs</u> - Utility Pole Policing and Handling	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown - could exceed \$100,000)</u></b>	<b><u>(Unknown - could exceed \$100,000)</u></b>	<b><u>(Unknown - could exceed \$100,000)</u></b>
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#### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

#### FISCAL DESCRIPTION

This proposal modifies provision relating to municipal utility poles.

Currently, pole attachment means an attachment by a video service provider, a telecommunications or other communications-related service provider to a pole owned by a municipal utility, but not an attachment by a wireless communications provider to a pole. This proposal modifies the definition of pole attachment to include an attachment by any attaching entity to any pole owned by a municipal utility or municipality, and repeals the provision that an attachment by a wireless communications provider to a pole is not a pole attachment. This proposal allows a municipal utility or municipality to deny access to the utility's poles only if there is insufficient capacity, or safety and reliability concerns that the attaching entity cannot resolve. Nothing shall be construed to prohibit a municipal utility or municipality from requiring an attaching entity to enter into a pole attachment agreement.

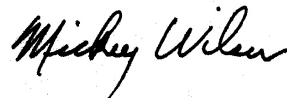
FISCAL DESCRIPTION (continued)

Currently, any party can seek review of any fee, term, or condition by binding arbitration. This act repeals this provision and instead allows for dispute resolution by allowing either party to bring an action for expedited review in any court of competent jurisdiction. During the pendency of the dispute, the attaching entity may proceed with its attachments at a rental rate mutually agreed upon by the parties, or as calculated in accordance with the cable service rate formula. A municipal pole owner may be authorized to exceed the rate of return cost components of the cable service rate formula. The attaching entity is required to comply with applicable and reasonable engineering and safety standards, and shall not hold liable the municipality for damages caused by the attaching entity. This act extends these provisions to not supersede existing pole attachment agreements established prior to August 28, 2013, to August 28, 2014. This act shall not confer any authority to the Public Service Commission or any other governmental entity to regulate pole attachments.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Administrative Hearing Commission  
Office of the State Courts Administrator  
Department of Economic Development  
Public Service Commission  
Office of the Public Counsel  
Department of Transportation  
Department of Natural Resources  
Joint Committee on Administrative Rules  
Office of the Secretary of State  
City of Kansas City  
Metropolitan St. Louis Sewer District  
City of Columbia



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Director  
February 25, 2014

L.R. No. 5011-10  
Bill No. HCS for SS for SCS for SB 653  
Page 6 of 6  
February 25, 2014

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